HANGING WOMAN MEETING Sheridan, Wyoming October 14, 2004

The meeting began with opening remarks from the BLM Miles City Field Office Manger, Dave McIlnay. As new participants were present, Dave summarized the efforts made in past meetings. The Group then heard from the Water and Road committees.

Water Committee Report

Jim Guercio, OW Ranch, summarized the Committee's findings. As most of the area is owned by a few landowners, there is a unique opportunity to benefit everyone and the resources in the area involved. BLM embraced the idea. Water Committee members include John Chase, John Heyneman, Denise Wood, Mike Bowen, Bonnie Lovelace, Jim and others. Jim feels the entire process is really a water management process and that we need to look at a holistic approach. We are just beginning to find out about coal bed methane development effects. There is a 15,000 well history in Wyoming and 200-300 well history in Montana. The 100 Wyoming wells starting in the Hanging Woman area will provide information on how to proceed with development in the future. Jim feels we won't know the actual impact for a long time. The Water Committee has looked at how the State of WY and MT handle water management. They looked at a treatment system in Campbell County. Jim is in no way suggesting that this is the only option.

In the past, the first developer would come in with their proposal and later other companies would make proposals and there was no comprehensive plan.

In this area, companies, mineral and landowners are working together, so the participants can develop a strategic comprehensive plan together. Jim believes that water treatment is an irreplaceable part of water management.

Roy Neal, Big Horn County Conservation District, asked Jim if the Committee had developed criteria for when water treatment would be best. Jim responded, no, it is his opinion that it is an irreplaceable part.

Bonnie Lovelace, MT DEQ, added that the Committee believes that water management options need to be considered on a case-by-case basis. There is no "one size fits all" management.

Terry Olson, EMIT Water Discharge Technology, then did a water treatment presentation that uses the Higgins Loop system.

Road Committee Report

Members of the Road Committee include John Chase, Jim Guercio, John Heyneman, Duane Zimmerman, David Searle, Paul Beels and others.

John Chase covered the committee's findings. While development in Hanging Woman, for the most part, has been conducted in a positive manner, there are still areas for improvement. For example, effects such as litter and dust from traffic are a concern to people in the area. Duane Zimmerman, Nance, responded that he had not been aware, until this meeting, that litter was a problem.

John described how using a common corridor for pipelines, powerlines, etc., worked for both the company and the ranch. It took 7 to 8 weeks to install 26 miles of pipeline.

John showed a picture of pink sagebrush. The pink is from dust from the county road. Vehicle speeding occasionally becomes a problem, but Duane slows them down. There are still blind corners and washboards. It is also a school bus route.

He estimates that that the traffic from Leiter into the area has increased by 100 vehicles, so there is more dust. John wondered is the company could consider using a bus.

Duane explained that with the start of new development, several different contractors are in the area with differing work schedules and needs, making it difficult to coordinate everyone's activities to occur at the same time in the area.

John concluded by recommending more water on the road to control dust. Cattle won't eat the pink vegetation.... Sheridan County needs to provide gravel for the road. Duane explained that when more moisture is received, the county and Nance will be working together on road maintenance.

Summary

Dennis Phillippi (facilitator) then did a status check with participants in the audience. All agreed that working together was the best way. Dennis asked Dave McIlnay to explain "split estate" to participants.

The group then joined Duane for a tour of Nance operations in the Wyoming portion of the Hanging Woman area. Courtesy of Jim Guercio, participants enjoyed lunch at the historic OW Ranch.